the Factory appended to the budget would show, we have got a large stock to our credit and every arrangement is made to popularise the products of the factory and push on its sale. Careful watch is exercised over its working.

Electrification.—The electrification of Nemmara is already in progress and a provision of Rs. 0·25 lakh has been made for next year under 'Capital' to complete the work. It is hoped that this would bring in a return of Rs. 0·03 lakh next year which is estimated under receipts from 'Capital Outlay'.

Navigation.—The work for the Appangat canal could not for various reasons be pushed through this year as contemplated and hence provision is made next year also.

8. **Other industrial concerns.**—The other industrial concerns aided by Government are the Vaniampara Rubber Co. Ltd., Cochin State Power and Light Corporation Ltd., and the Cochin Textiles, Ltd.

The Vaniampara Rubber Co. Ltd., continued to be under the control of the Government. Advances were made to the Company according to requirements and the Company was able to acquire substantial profits whereby they could pay off a substantial portion of the debts. The only outstanding debt at the end of the current year is anticipated to be the old debt of Rs. 50,000 to the Government.

The undertaking by the Cochin State Power and Light Corporation for the electrification of the Towns of Ernakulam and Trichur and their suburbs was completed at the scheduled times and regular service has commenced. It is hoped that this will not only provide for the social amenities of the people but also foster industries and give an impetus to trade. You will be glad to note that the Trichur Electric enterprise is proposed to be purchased by the Municipality, the funds required to the extent of Rs. 5·80 lakhs being advanced by Government temporarily. Properly worked, it will be an asset to the Municipality.

The construction of the Mills of the Cochin Textiles Ltd. is complete. The fitting up of the plant and machinery is under way and it is hoped that the Mills would begin to function just after the monsoon.

It may be pleasing to note that the Cochin Co-operative Land Mortgage Bank instituted early last year has been functioning satisfactorily as will appear from the annual report

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published by the Bank. The original intention of the Bank was that the funds required far granting loans to the indebted agriculturists should be found by raising debentures. But as debentures could be issued only against securities it was found necessary that the Bank should have sufficient funds in advance to enable it to grant loans. The Government, therefore allowed a sum of Rs. 3 lakhs to the Bank under what is called the system of overdraft and at 3 per cent interest. Further, as funds raised by the issue of debentures in advance with a view to the grant of loans therefrom would involve locking up large balances resulting in loss of interest, the Government have allowed the overdraft system as a permanent measure. When the first instalment of Rs. 3 lakhs was about to be spent up, the Bank went in recently for its first issue of debentures amounting to Rs. 5 lakhs at 4 per cent and the issue was heavily subscribed for, almost the whole of the subscription having been from the Cochin public.

The assets of the Cochin Tanneries Ltd., have been reduced to possession by Government and steps are being taken to see if a rehabilitation of the concern is possible.

9. **Loan.**—The two loans taken by the State at 5 per cent and 3½ per cent, as the House is aware, amount to Rs. 105 lakhs and a sinking fund to liquidate the first 5 per cent loan is already in operation. The Government of India have agreed to grant a loan of Rs. 31 lakhs to supplement the financing of the 4th Stage Harbour Works, the same being repayable in 50 equal annual instalments at 3¾ per cent interest 10 years after. It is proposed to have a portion of the offered loan to the extent of Rs. 15 lakhs in the coming year. It may be observed that this can never be a liability to the State as the Harbour Authorities are to repay all these advances in the course of 30 years.

10. **Retrenchment Committee.**— A Retrenchment Committee was constituted in the course of the year to go into the question of making all possible retrenchment in the State since there seemed to be a misapprehension that there were several avoidable items of expenditure giving scope for effecting economies. Their report has reached the Government and is also now in the hands of the Hon'ble Members. The Government have already taken steps to give effect to the few suggestions made therein, wherever possible, various retrenchments having been already made or under consideration just before the constitution of the Committee.

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